

Nicor Gas completed a correlation analysis similar to that submitted by Staff. Unlike Staff, the Company's correlation uses actual 2007 and 2008 data for all variables. This is in contrast to Staff's incorrect use of actual 2007 and 2008 data for short term debt, and actual 2007 and forecast 2008 data for gas in storage and accounts receivable.

Using the below sources of information and Staff's methodology, Nicor Gas calculates the correlation of short term debt, less CWIP accruing AFUDC, to Gas in Storage plus Accounts Receivable as .55.

The correlation completed by Nicor Gas relies on actual 2007 and 2008 information contained in the record evidence, noted as follows:

Short Term Debt Balances, less CWIP accruing AFUDC:

For the months January 2007 through April 2008, using as reported on Nicor Gas Exhibit 24.2, Columns (a) and (c).

For the months May 2008 through December 2009, using as reported on Rehearing Exhibit 7 / JF 17.01, Exhibit 2, Columns (a) and (c).

For short term debt, Staff cited to Rehearing Exhibit 7 / JF 17.01, which shows actual 2007 and 2008 short term debt balances.

Gas in Storage (LIFO basis):

For the months January 2007 through December 2008, using as reported on Rehearing Exhibit 5 / JF 16.01, Exhibit 1, Page 1 ("Gas in Storage at LIFO Cost").

For Gas in Storage, Staff cited to Rehearing Exhibits 2. Rehearing Exhibit 2 (Schedule F-9) is clearly marked showing actual 2007 and forecast 2008 information.

Accounts Receivable:

For the months January 2007 through December 2008, using as reported on Rehearing Exhibit 5 / JF 16.01, Exhibit 1, Page 1 ("Trade and Other Receivables" plus "Accrued Unbilled Revenue").

For Accounts Receivable, Staff cites to Staff Group Cross Exhibit 1 / JF 4.04, which is clearly marked as showing actual 2007 and forecast 2008 information.